

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 EB-08 ERDA-07 AID-05 CEA-01 CIAE-00

CIEP-02 DODE-00 FEAE-00 FPC-01 H-02 INR-07 INT-05

L-03 NSAE-00 NSC-05 OMB-01 PM-04 OES-06 SP-02 SS-15

STR-04 TRSE-00 ACDA-10 FRB-01 /100 W

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R 241523Z JAN 77

FM AMEMBASSY BUENOS AIRES

TO USDOC WASHDC

USIA WASHDC

SECSTATE WASHDC 8687

UNCLAS SECTION 1 OF 2 BUENOS AIRES 0541

E.O. 11652: N/A

TAGS: BEXP, AR

SUBJECT: CCP REPORT FOR ARGENTINA: 1ST QUARTER - FY 1977

REF: BUENOS AIRES 7231

1. THIS QUARTER WAS MUCH LIKE THE LAST-ECONOMIC ACTIVITY CONTINUED TO BE SLUGGISH, THOUGH TRENDING SLOWLY UPWARDS. INVESTMENT LEVELS REMAINED DEPRESSED. GDP GROWTH HAS BEEN ESTIMATED AT PLUS 0.3 PERCENT FOR THIS QUARTER COMPARED TO -2.2 PERCENT -4.94. AND -3.5 PERCENT FOR THE FIRST, SECOND AND THIRD QUARTERS, RESPECTIVELY, OF THE CALENDAR YEAR. THE UNAVAILABILITY OF EXPORT CREDIT FINANCING FROM THE EXPORT-IMPORT BANK AND FCIA CONTINUED TO HAMPER EXPORT PROMOTION EFFORTS.

2. POWER CAMPAIGN

CONTACTS WERE MADE WITH THREE GOA POWER OFFICIALS: THE SUBSECRETARY OF ENERGY (FOR PLANNING) ING. BRONSTEIN, GENERAL VIVIANI ROSSI, THE PRESIDENT OF THE MIXED TECHNICAL COMMISSION FOR SALTO GRANDE AND PEDRO VICIEN, THE HEAD OF AGUA Y ENERGIA ELECTRICA. VICIEN TRAVELED
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TO THE US DURING THIS PERIOD TO RENEGOTIATE A CONTRACT WITH A US SUPPLIER AND EMBASSY ASSISTED HIM IN MAKING CONTACTS IN WASHINGTON WITH AGENCIES THERE INCLUDING, ERDA. CAMPAIGN MANAGER ALSO IN CONTACT WITH INTERAMERICAN DEVELOPMENT BANK DEPUTY REP SAN CLEMENTE ABOUT IDB FINANCE POWER PROJECTS AND WITH LOCAL REPS OF US SUPPLIERS (GE, WESTINGHOUSE, ALLIS CHALMERS, LAPP, SOTHIWIRE)

ABOUT LOCAL POWER SECTOR TRADE OPPORTUNITIES. IN BRIEF, INFORMATION GATHERED INDICATES THAT WHILE WORK WILL CONTINUE ON THOSE PROJECTS UNDERWAY, THERE WILL BE A SIGNIFICANT SCALING DOWN OF NEW PROJECTS UNDERTAKEN. THE NEW POWER PLAN IS NOT EXPECTED TO BE FINISHED NOW UNTIL MID 1977. REPRESENTATION FUNCTION PUT OFF UNTIL 2ND QUARTER. MARKET SURVEY UPDATE BEGUN BUT NOT YET COMPLETE. TWO TRADE OPPORTUNITIES VALUED AT A TOTAL OF US\$ 2,050,000 WERE REPORTED.

3. PETROLEUM AND NATURAL GAS EQUIPMENT CAMPAIGN
CALLS WERE MADE ON THE FOLLOWING DECISION MAKERS:
DR. JOSE SUAREZ LYNCH - ING. OSVALDO CALCAGNO - DIRECTOR FOR HYDROCARBONS, SEC. OF ENERGY; ING. BARBATO - AUSTRAL GASOLINE PROJECT MANAGER, GAS DEL ESTADO; ING. SANTIAGO GONZALES - PRODUCTION MANAGER, ARGENTINA CITIES SERVICE
AND ON ROBERT HANSEN - VICE PRESIDENT - AMOCO. WITH THE ASSISTANCE OF USIS, ARTICLES HAVE BEEN SELECTED FOR PUBLICATION IN THE COMMERCIAL BULLETIN DURING THE SECOND QUARTER. A DRILLING SITE AT MENDOZA WAS VISITED. FOREIGN BUYERS GROUP FOR THE OFFSHORE TECHNOLOGY CONFERENCE IS BEING ORGANIZED BY THE EMBASSY'S COOPERATING TRAVEL WHOLESALER. ONE EARLY WARNING WAS ISSUED ON FORTHCOMING OIL EXPLORATION CONTRACTS. THE MARKET RESEARCH REPORT TO BE COMPLETED BY DEC 31 IS NOT YET COMPLETE BUT WILL BE FINISHED UP DURING SECOND QUARTER.

4. PETROCHEMICAL CAMPAIGN
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POST PROMOTED PARTICIPATION BY U.S. FIRMS IN LATIN AMERICAN PETROCHEMICAL CONGRESS IN BARILOCHE, NOV.14-20, 1976. THIRTEEN U.S. COMPANIES HAD EITHER BOOTHS OR DISPLAYS, AND SEVERAL OF THEM PRESENTED PAPERS. POST PRESENTED USIS PRODUCED VTR "INDUSTRIAS QUIMICAS INTERNACIONALES" DURING CONGRESS, AND ORGANIZED A ROUND-TABLE DISCUSSION. VTR WAS ALSO PRESENTED TO TOP OFFICIALS OF YACIMIENTOS PETROLIFEROS FISCALES, FABRICACIONES MILITARES AND GAS DEL ESTADO. REPRESENTATIVES OF KELLOG PAN AMERICAN CROP., FISH INTERNATIONAL, CARRIER CORP AND TAYLOR INSTRUMENTS WERE AT HAND TO PARTICIPATE IN SUBSEQUENT ROUND-TABLE DISCUSSIONS. CALLS WERE MADE ON THE FOLLOWING DECISION MAKERS IN THE INDUSTRY: ING. LUNA-PETROQUIMICA BAHIA BLANCA; SR. BRUNO DAGIANO - INDUPA; ING. LOPEZ GARDIAINE - PETROQUIMICA GRAL. MOSCONI;
ING. ERWIN LANGER - GAS DEL ESTADO; DR. JAIME MAZAR BARNETT - ARGENTINE CHEMICAL ASSN. CM HAS MAINTAINED CONTINUING CONTACT WITH BOTH GOA OFFICIALS IN CHARGE OF BAHIA BLANCA COMPLEX, AND REPRESENTATIVES

OF U.S. FIRMS, ATTEMPTING TO ASSIST U.S. FIRMS IN
THEIR CONTRACT NEGOTIATIONS. TWO PRIVATE TRADE
OPPORTUNITIES WERE REPORTED. CM HAS ENCOURAGED LOCAL
REPRESENTATIVES OF U.S. FIRMS TO ORGANIZE VISITS
BY ARGENTINE DECISION MAKERS TO PLANTS IN THE U.S.
SO FAR AT LEAST ONE GROUP HAS TRAVELLED TO THE U.S. UNDER
THE AUSPICES OF A U.S. COMPANY. THE FOLLOWING PLANTS,
OR THEIR MANAGERS, HAVE BEEN VISITED:

 PETROQUIMICA GRAL. MOSCONI; POLISUR S.A.M.;
MONOMEROS VINILICOS S.A.M.; PETROPOL S.A.M.; INDUCTOR
S.A.M.
HILL

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5. STEEL CAMPAIGN

CM CALLED ON FOUR DECISION-MAKERS, INCLUDING GENERAL
RIBERA, PRESIDENT OF SOMISA; ING. JULIO PEPINO, CHIEF
ENGINEER FOR PLANT AND INSTALLATIONS, ING. JORGE ALDASOREO,
PURCHASING MANAGER FOR SOMISA, AND ING. EMILIO LLORENS,
MANAGER OF CENTRO DE INDUSTRIALES SIDERURGICOS.
PUBLICATION OF ARTICLES ON U.S. STEEL-MAKING TECHNOLOGY
HAS BEEN DELAYED PENDING RESOLUTION OF COPYRIGHT PROBLEMS,
CM VISITED THE SOMISA STEEL PLANT IN SAN NICOLAS. MARKET
SUVEY HAS BEEN PUT OFF UNTIL FOURTH QUARTER IN FAVOR OF
MARKET SURVEY ON CONSTRUCTION AND MINING EQUIPMENT.

6. HEAVY CONSTRUCTION, EARTH MOVING AND MINING EQUIPMENT
CAMPAING

FOUR CONTRACTS IN SECTOR WERE MADE: CNEL. VICTOR COSTANZO,

SUBDIRECTOR FOR MINING DEVELOPMENT. FABRICACIONES MILITARES;
ING. BAUSILI, PRESIDENT MACROSA (CATERPILLAR) S.A.;
ING. BALAGUER-SIMONS-INCONAS (SIERRA PINTADA URANIUM
MINE). MARKET SURVEY BEGUN BUT NOT YET COMPLETED.
ANTICIPATE COMPLETION DURING 2ND QUARTER. HAVE SO FAR
BEEN UNABLE TO LOCATE SUITABLE ARTICLES FOR PUBLICATION
ON THIS SECTOR. SEARCH CONTINUING WITH ASSISTANCE OF
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USIS. TWO TRADE OPPORTUNITIES VALUED AT A TOTAL OF
US\$12,850,000 WERE REPORTED.

7. CAMPAIGN # 6 - SHIPBOARD AND PORT MAINTENANCE
EQUIPMENT, WHICH WAS INCLUDED IN CCP ON ASSUMPTION
EMBASSY WOULD BE ASSIGNED AN ADDITIONAL OFFICER FOR
ECONOMIC COMMERCIAL SECTION (SEE SECTION II OF CCP),
WILL NOT BE UNDERTAKEN.

8. FOREIGN BUYER PROGRAM

IN COOPERATION WITH LOCAL TOUR PACKAGE WHOLESALER,
EMBASSY UNDERTOOK TO PROMOTE THE FOLLOWING US
EXHIBITIONS: A) THE INTERNATIONAL PACKAGING EXPOSITION
(CHICAGO, OCT. 1976); B) THE AMERICAN TEXTILE MACHINERY
EXHIBITION (GREENVILLE (OCT 1976); C) THE FOOD AND
DAIRY EXPOSITION (ATLANTIC CITY, MAY 1976; THE KNITTING
ARTS EXHIBITION (ATLANTIC CITY, MAY 1977); THE OFFSHORE
TECHNOLOGY CONFERENCE (HOUSTON, MAY 1977).
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